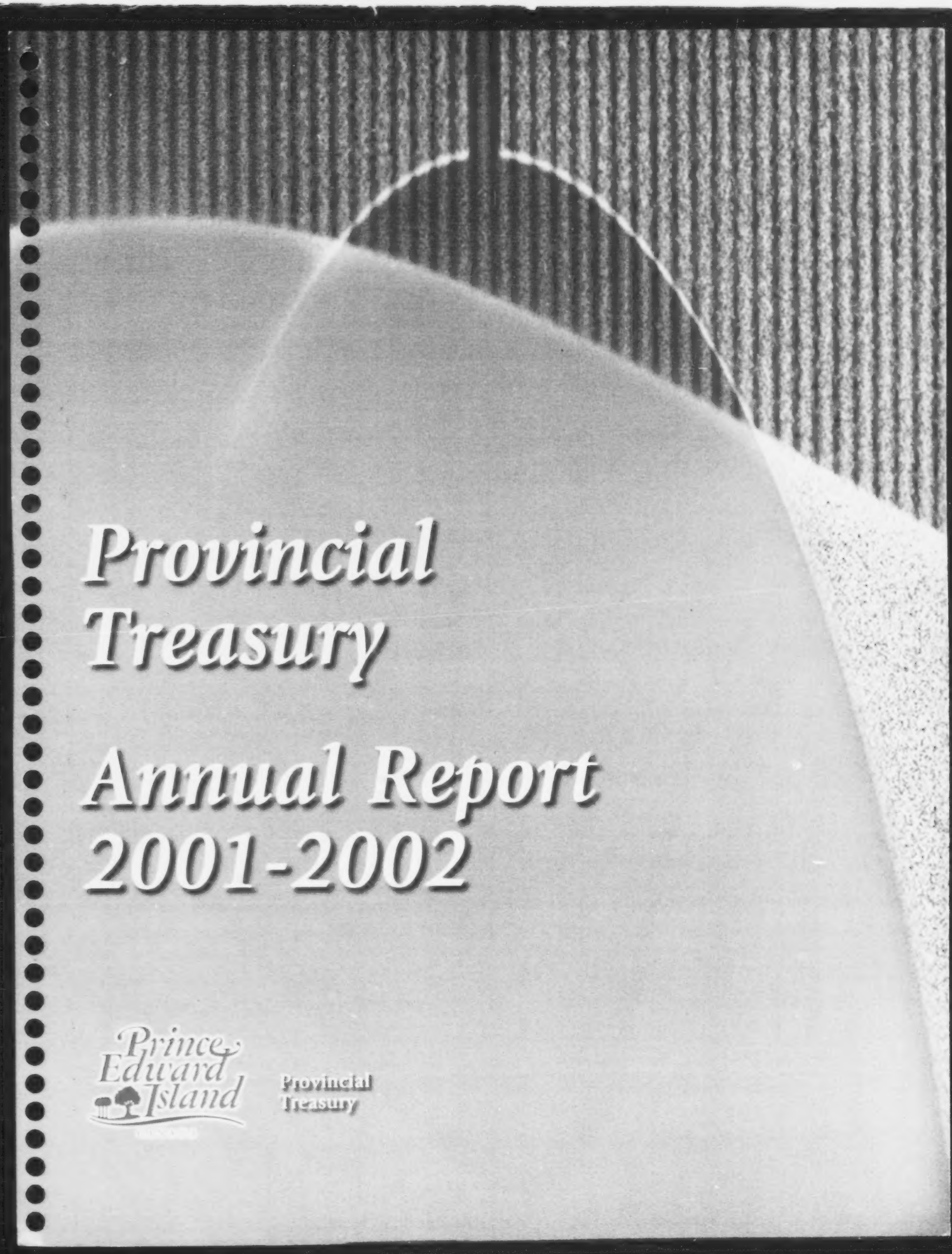

Provincial Treasury

Annual Report 2001-2002

Prince Edward Island

Provincial Treasury

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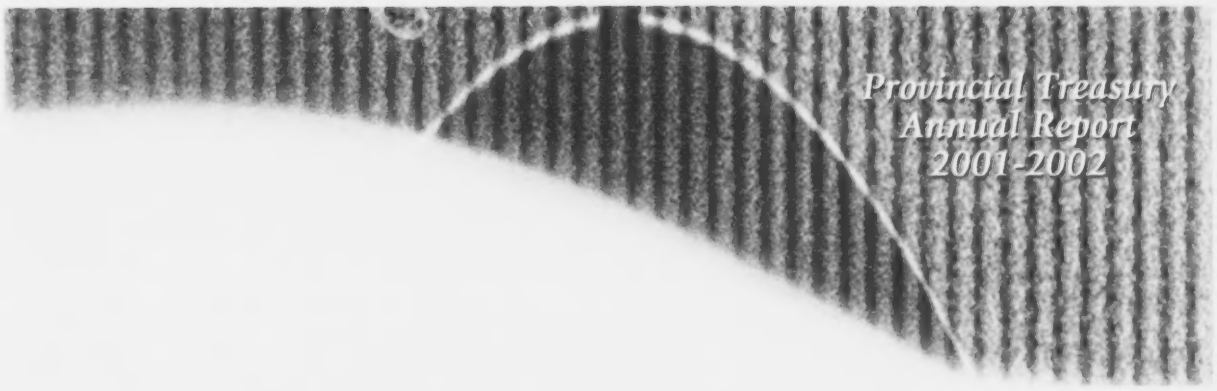

Prince Edward Island
Department of the Provincial Treasury

Annual Report

2001-2002

For the Fiscal Year
April 1, 2001, to March 31, 2002

Mandate of the
Department of the Provincial Treasury

The mandate of the ministry is to ensure
that the human and financial resources needed by Government are available,
are allocated in keeping with Government priorities,
and are used in an efficient, effective and accountable way.

Message of the Minister

To the Honourable J. Léonce Bernard
Lieutenant Governor of Prince Edward Island
PO Box 846
Charlottetown, PE C1A 7L9

May it Please Your Honour:

It is my privilege to present the Annual Report of the Department of the Provincial Treasury for the fiscal year ended March 31, 2002.

Respectfully submitted,

Patricia J. Mella
Provincial Treasurer

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Operating Principles Adopted by the Staff of the Department of the Provincial Treasury

Statement of Values

A Team Approach
We work together, sharing information to achieve departmental goals.

Service Quality
We provide our clients with the highest quality of service by seeking their input and advice and designing our services to best meet their needs.

Human Resource Development
We seek training and development opportunities which provide us with the appropriate skills to serve our clients.

Honesty, Integrity and Accountability
We perform our responsibilities in a competent and professional manner with the highest standard of ethical behaviour.

Mission Statement

The Department of the Provincial Treasury facilitates the effective and efficient management of Government's human and financial resources by:

- fostering a progressive approach to the management and development of human resources;
- overseeing the financial affairs of the Provincial Government;
- providing internal support services to public sector organizations;
- leading and facilitating a Government-wide emphasis on program effectiveness and accountability; and
- supporting economic development.

Management Philosophy

We believe in a management approach where we:

- challenge, encourage, empower, support, respect, train and develop employees;
- practice clear and open communication;
- consult and involve employees;
- place strong emphasis on client service;
- encourage a team approach;
- use resources wisely;
- recognize, support and conduct our affairs within the Government's agenda; and
- focus on the future.

Legislative Responsibilities Assigned to the Provincial Treasurer

Act	Division Responsible
Appropriation Act	Fiscal Management
Civil Service Act	PEI Public Service Commission
Civil Service Superannuation Act	PEI Public Service Commission
Deposit Receipt Act	Office of the Comptroller
Environment Tax Act	Taxation and Property Records
Financial Administration Act	Policy and Evaluation/Office of the Comptroller/Fiscal Management
Financial Corporation Capital Tax Act	Taxation and Property Records
Gasoline Tax Act	Taxation and Property Records
Health Tax Act	Taxation and Property Records
Income Tax Act	Economics, Statistics and Federal Fiscal Relations
Lending Agency Act	Deputy Minister's Office
Loan Act(s)	Fiscal Management
Lotteries Commission Act	Deputy Minister's Office
Northumberland Strait Crossing Act	Taxation and Property Records
Public Accounting and Auditing Act	Office of the Comptroller
Public Purchasing Act	Office of the Comptroller
Queen's Printer Act	Information Services
Real Property Assessment Act	Taxation and Property Records
Real Property Tax Act	Taxation and Property Records
Registry Act	Taxation and Property Records
Revenue Administration Act	Taxation and Property Records
Revenue Tax Act	Taxation and Property Records
Supplementary Appropriation Act(s)	Fiscal Management

Deputy Minister's Overview

The Honourable Patricia J. Mella
Provincial Treasurer
Province of Prince Edward Island

Honourable Minister:

I am pleased to submit the 2001/2002 Annual Report for the Department of the Provincial Treasury. The Annual Report is intended to focus on accountability for results achieved during the year. This approach in reporting on performance during the 2001/2002 fiscal year supports one of the department's key goals.

A few of the department's accomplishments and activities I wish to highlight are as follows:

a) A new debt management strategy which will result in $169 million of debt being paid out of the Sinking Fund in the next two years, and other debt refinanced at more favourable rates.

b) The decision was made to upgrade the Government's financial system to the next version in order to move the Government of PEI to an internet-based infrastructure which enables our financial system to engage in e-commerce financial transacting.

c) Staff of the Economics, Statistics and Federal Fiscal Relations Division have been extensively involved in federal-provincial discussions on equalization renewal by advancing improvements to the program.

d) A three-year property assessment re-appraisal review of all recreational and shorefront properties on Prince Edward Island was implemented in 2001/2002.

I would like to take this opportunity to recognize and thank the employees of Provincial Treasury for their effort and dedication over the year and look forward to their continued support. Department staff remain committed to the mandate and goals established and will manage resources in an efficient and effective manner.

Respectfully submitted,

Michael O'Brien, FCA
Deputy Provincial Treasurer

Organizational Chart

Departmental Overview

Role/Mission

The Department of the Provincial Treasury facilitates the effective and efficient management of Government's human and financial resources. The mission is accomplished through a Team Approach – working together and sharing information to achieve departmental goals.

Departmental Profile

Administration

The Human Resources Section of the Administration Division provides advice and services in human resource management to department staff, managers and directors. Support is provided in the areas of personnel services, employee and organizational development and occupational health and safety issues.

Economics, Statistics and Federal Fiscal Relations

The Economics, Statistics and Federal Fiscal Relations Division provides advice on fiscal, tax, statistical, economic policy and federal fiscal matters. These include major transfer payments, income tax issues, statistical reports and economic analysis for Government.

Fiscal Management

The Fiscal Management Division provides policy advice on Government expenditures and fiscal planning, develops the annual fiscal framework, prepares the Annual Budget Estimates of Revenue and Expenditure, manages the assets of the pension funds and also manages the cash, debt and Sinking Fund of the Province.

Information Services

The mission of the Information Services Division is to strengthen Government's business messaging by providing departments, crown corporations and agencies with a range of communication services.

Information Technology Management Group

The role of the Information Technology Management Group is to maximize the return on investments for Government on internal information technology expenditures while assisting our clients in the delivery of information technology solutions.

Office of the Comptroller

The Office of the Comptroller maintains the Provincial Government's corporate accounting system and is responsible for directing financial control, accounting, financial policies and provides financial advice. The division also administers corporate procurement services of goods for departments and agencies, and manages the vehicle fleet information system.

Policy and Evaluation

The Policy and Evaluation Division provides policy advice on corporate governance with an emphasis on improving accountability. It also provides administrative policy advice and acts as secretariat to Treasury Board.

Taxation and Property Records

The Taxation and Property Records Division administers the Province's taxation legislation and ensures the legislation is applied fairly and consistently. The division also develops and maintains land-related information systems and collects tax revenue.

Interministerial Women's Secretariat

The Interministerial Women's Secretariat provides policy analysis and support to Government for the promotion of gender equity, diversity and the status of women. It provides official intergovernmental liaison and support to the Minister Responsible for the Status of Women.

Additional Ministry Responsibilities

The Department of the Provincial Treasury is also responsible for administering the budget allocation for the following "appropriation votes:"

- Employee Benefits
- General Government
- Council of Maritime Premiers
- Interministerial Women's Secretariat
- Interest Charges on Debt
- PEI Lending Agency

One of the major incentives in achieving the department's overall mission statement is to **lead and facilitate a Government-wide emphasis on program effectiveness and accountability**. A methodology to achieve the mission was implemented and is referred to as Key Result Areas (KRAs) which means identifying, at the beginning of the year, the targets and specific goals planned for the ensuing year or over the longer term. Each division establishes individual KRAs and the Strategic Plan sets out the KRAs for the department as a whole.

The KRAs provide an accountability model by which the department can be measured. In addition, the KRAs give staff a clear understanding of priorities and direction for the department.

Key Result Area No. 1

Improve Client Service

The Taxation and Property Records Division's Web site, called Tax and Land Information – ***www.taxandland.pe.ca***, was launched during the year. From this portal, clients can access useful tax and land information, and links to relevant resources across Government. The site also has several fillable forms that can be completed online. A communications strategy is underway to promote the site to the public.

From the Internet, the PEI Address Locator provides users with access to PEI civic address data. Users can generate online maps of a civic address that they can view, print or save for future reference. This online tool also provides school, electoral and geographic information; lists official road names; presents histories of civic address communities; and enables downloading of addresses. This is a joint project of Provincial Treasury and the Department of Development and Technology.

Staff of Multimedia Services assisted in showcasing the Province's technology sector at the 2001 Technology in Government conference in Ottawa. Support materials included a 40-minute booth video, animated logo, display booth signage and a 10-minute promotional video with original animation and graphics.

In keeping with the implementation of the *French Services Act*, information provided by the divisions has been compiled into a master Provincial Treasury document. A combined listing of all forms, documents and publications for all divisions of the department, that have to be translated into French have been coordinated and provided to Acadian and Francophone Affairs, who have the ultimate responsibility for the implementation of the act.

In March 2002, the Economics Statistics and Federal Provincial Relations Division prepared a paper on the first release of the population and dwelling counts from the 2001 Census as well as a paper on initial data of the 2001 census of Agriculture. This model takes into account migration/births/deaths for Prince Edward Island and the *Annual Statistical Review* has been revised to include this information. The division aided the departments of Development and Technology; Intergovernmental Affairs; Tourism; and Fisheries, Aquaculture and Environment on economic issues.

Implementation of a new Farm Use Assessment program which provides tax relief for farmland owned by non-farmers, and leased to bonafide farmers, was completed. Through this program, 806 parcels of land consisting of 24,700 acres of clear land were approved for tax relief under farm use assessment.

Key Result Area No. 2

Maximize Provincial Revenue and Investment Returns

The Fiscal Management Division implemented a new debt management strategy which will result in $169 million of debt being paid out of the Sinking Fund in the next two years, and other debt refinanced at more favourable rates. This strategy will result in significant savings to the Province in interest charges on current debt.

A three-year property assessment re-appraisal review of all recreational and shorefront properties on Prince Edward Island was implemented in 2001/2002. A total of 2,700 properties were re-appraised prior to January 1, 2002, and it is anticipated that this reappraisal effort will be completed in 2003/2004.

The department completed the work on all claims from the January 2000 storm surge resulting in a total payout of approximately $749,000. Auditors from Consulting and Audit Canada reviewed all files prior to application for payment under the Disaster Financial Assistance Program (DFAA). The auditors determined approximately $160,000 in claims were ineligible for cost sharing under the DFAA program. This resulted in a net recovery to the Province of approximately $507,000 after its per capita share of $135,000 was deducted and administrative costs of approximately $53,000 were added.

The Economics, Statistics and Federal Provincial Relations Division worked closely with the Provincial Treasurer and Intergovernmental Affairs in preparing the Premier for First Ministers meetings, and in particular the need to focus attention on the Equalization program. Reports on Equalization and CHST issues were prepared for the annual Premiers meeting in Victoria, B.C. on August 2 and 3, 2001.

Equalization revenue in 2001-2002 was $282.3 million, $7.3 million above budget. CHST was raised by $16.6 million from the previous base, to be $86.6 million in 2001-2002.

Key Result Area No. 3

Priority on Human Resources

The production team of *Island Focus* was honoured by the Tourism Industry Association of Prince Edward Island with the 2001 Walt Wheeler Media Award.

An IT Retention Bonus Committee was established following the signing of the Collective Agreement. The committee determined eligibility for the IT retention bonus. The bonus ranged from $300 to $2,552 depending on classification level. A total of 140 IT Workers were deemed eligible for the bonus.

The Interministerial Women's Secretariat continues to provide local and national leadership support to initiatives promoting equality for women and men.

In May 2001, employees of the department participated in a workplace wellness pilot survey offered by Health Canada. The completed surveys were sent to an independent firm in Ottawa which was responsible for analysing the data and producing a workplace profile. A profile was developed for each of the participating departments providing feedback on the results of the survey and participating departments formed workplace committees to review and study the results.

The Economics, Statistics and Federal Fiscal Relations Division supported the Directors' Forum through presentations on economic and fiscal issues.

Key Result Area No. 4

Maintain Corporate Approach in Managing Financial and Policy Matters

A key responsibility of the Fiscal Management Division is to manage the debt and investment activities by minimizing interest charges on debt. During the year the division issued a $100 million debenture with a yield of 6.25 per cent. The funds raised by the sale of the debenture were used to finance capital projects and reduce short-term debt. The yield on the debenture was considered to be very attractive.

The division has spent considerable time reviewing and evaluating proposed changes to Public Sector accounting standards as well as time determining the most appropriate reporting policies for the Government's pension plans.

The Policy and Evaluation Division provided analytical, consultative and administrative support to Treasury Board on an ongoing basis as well as undertook special projects and/or initiatives on behalf of Treasury Board or the Department of Provincial Treasury.

The Economics, Statistics and Federal Fiscal Relations Division disseminates reviews of the Federal Budget and the provincial budgets, and it maintains a historical record of the PEI fiscal situation in electronic format to assist in financial management.

Key Result Area No. 5

Development and Implementation of IT Systems and Programs to Improve Government's Business Issues

The decision was made to upgrade the Government's financial system to the next version in order to move the Government of PEI to an internet-based infrastructure which enables our financial system to engage in e-commerce financial transacting. A number of projects were completed to prepare for the system upgrade, planned for the summer 2002.

In collaboration with the Public Service Commission, developed an Employee Portal Prototype to deliver various services and information to employees and management.

Coordinated the Province's activities as the Showcase Province in the Government in Technology Week National Annual Conference held in Ottawa. As the Showcase Province, PEI hosted several seminars, presentations and events for national audiences.

The Provincial Deposit Receipt Program ended effective March 31, 2002. During the year, customers were contacted to make arrangements for redemption. Many opted to leave their certificates and have them redeemed on a specified date. This interaction with our customers helped to facilitate a very efficient and orderly redemption process that virtually eliminated lineups. During the year 6,878 certificates were redeemed with a principal balance of $37,737,031.20.

Tour d'horizon du Ministère

Rôle et mission

Le ministère du Trésor de l'Île-du-Prince-Édouard contribue à la réalisation d'une gestion efficace des ressources humaines et financières du gouvernement. Sa mission s'accomplit par une démarche d'équipe, soit la collaboration et le partage d'information, en vue d'atteindre les objectifs fixés par le Ministère.

Profil

Administration

La Section des ressources humaines de la Division de l'administration procure des conseils et des services en matière de gestion des ressources humaines au personnel, aux gestionnaires et aux directeurs des ministères et des organismes gouvernementaux. Les domaines pour lesquels les services sont offerts sont les services au personnel, le perfectionnement du personnel, le développement organisationnel, la santé et la sécurité au travail.

Économie, statistiques et relations fiscales fédérales

La Division de l'économie, des statistiques et des relations fiscales fédérales procure au gouvernement des conseils concernant la fiscalité, l'impôt, les statistiques et les politiques économiques liées aux questions fiscales fédérales, y compris les paiements de transfert importants, les questions d'impôt sur le revenu, les rapports statistiques et l'analyse économique du gouvernement.

Gestion budgétaire

La Division de la gestion budgétaire fournit des conseils d'orientation stratégique en matière de dépenses gouvernementales et de planification budgétaire; elle établit le cadre financier annuel, prépare les prévisions budgétaires des revenus et des dépenses, gère les actifs des fonds de pension et gère également l'encaisse, les dettes et le fonds d'amortissement de la province.

Services d'information

La mission de la Division de l'information renforce les messages d'affaires du gouvernement en offrant aux ministères, aux sociétés de la Couronne et aux organismes tout un éventail de services de communication.

Groupe de gestion des technologies de l'information (GGTI)

Le rôle de ce groupe est d'optimiser les produits de placement du gouvernement en ce qui concerne les dépenses en technologies de l'information interne tout en aidant les clients dans la prestation de solutions dans le domaine des technologies de l'information.

Bureau du contrôleur

Le bureau du contrôleur s'occupe des systèmes de comptabilité ministérielle et dirige le contrôle financier et les politiques comptables et financières. La Division administre aussi les services de fourniture de biens pour les ministères et les organismes et gère le système d'information de la flotte de véhicules.

Politiques et évaluation

La Division des politiques et de l'évaluation procure des conseils en matière de programmes d'action concernant l'administration générale, en mettant l'accent sur la responsabilisation. Elle procure des conseils de gestion d'ordre administratif et agit à titre de secrétariat pour le Conseil de gestion.

Imposition et registre des biens

La Division de l'imposition et du registre des biens administre la législation provinciale concernant l'imposition et fait en sorte que celle-ci soit appliquée avec équité et uniformité. Elle perçoit et contrôle les revenus principaux de la province provenant des impôts et des taxes. Elle élabore et met à jour les registres intégraux d'information relatifs aux propriétés foncières.

Secrétariat interministériel aux affaires féminines

Le Secrétariat procure l'analyse des politiques et appuie le gouvernement en matière de promotion de l'équité entre les sexes, de diversité et de statut de la femme. Il fournit une liaison et une aide intergouvernementales officielles au ministère responsable du statut de la femme.

Autres responsabilités

Le Ministère a également la charge d'administrer les allocations budgétaires pour les crédits suivants :

- Avantages sociaux du personnel;
- Ensemble du gouvernement;
- Conseil des premiers ministres des Maritimes;
- Secrétariat interministériel aux affaires féminines;
- Frais d'intérêt de la dette;
- Agence de crédit de l'Î.-P.-É.

L'une des meilleures mesures incitatives afin de réaliser la mission de l'ensemble du Ministère est de montrer l'exemple et d'accorder une importance particulière à l'efficacité et à la responsabilité financière des programmes dans l'ensemble du gouvernement. Pour atteindre ces objectifs, nous avons mis en œuvre une méthodologie appelée « points stratégiques » ou, en anglais, « KRA » (*Key Result Areas*), ce qui signifie que les buts et objectifs spécifiques prévus pour l'année qui vient, ou pour une période plus longue, sont définis en début d'année. Chacune des divisions élabore ses propres points stratégiques et le plan stratégique d'ensemble permet d'en déterminer pour tout le Ministère.

Les points stratégiques fournissent un modèle de responsabilité administrative à l'aide duquel on peut mesurer les réalisations du Ministère. En outre, les points stratégiques permettent au personnel de comprendre sans ambiguïté les priorités et l'orientation du Ministère.

Point stratégique 1 :

Améliorer le service à la clientèle

Le site Web de la Division de la gestion budgétaire, appelé « Renseignements sur l'impôt et les biens-fonds » – ***www.taxandland.pe.ca*** – a été mis en service au cours de l'année. De ce portique, la clientèle peut accéder à des renseignements utiles en matière d'impôt et de biens-fonds ainsi qu'à des liens vers des ressources pertinentes. Le site contient également des formulaires pouvant être remplis en direct. On est en train de mettre au point une stratégie de communication afin de faire la promotion du site auprès du public.

À partir d'Internet, l'emplacement d'adresse de l'Î.-P.-É. fournit aux utilisateurs l'accès aux données d'adresse de voirie de l'Î.-P.-É. Les utilisateurs peuvent produire en direct des cartes d'adresses de voirie qu'ils peuvent consulter, imprimer ou sauvegarder pour usage futur. Un tel outil en direct fournit également des renseignements sur les écoles, les élections et la géographie; il présente l'historique des communautés d'adresse de voirie et il permet de télécharger des adresses. Il s'agit d'un projet conjoint du Trésor de l'Île et du ministère du Développement et de la Technologie.

Le personnel des services multimédia a aidé à mettre en évidence le secteur de la technologie de la province à l'occasion de la Conférence sur la technologie dans l'administration gouvernementale 2001 qui s'est tenue à Ottawa. Les documents à l'appui comprenaient une vidéo cabine de 40 minutes, un logo animé, une fabrication d'affiches en kiosque et une vidéo de promotion de 10 minutes comprenant de l'animation et des dessins originaux.

Conformément à la mise en œuvre de la *Loi sur les services en français*, les renseignements fournis par les divisions ont été recueillis dans un fichier permanent du Trésor de l'Île. Une liste générale de tous les formulaires, documents et publications de toutes les divisions du ministère qui doivent être traduits en français a été préparée et fournie à la Division des affaires acadiennes et francophones, responsable en dernier ressort de la mise en œuvre de la Loi.

En mars 2002, la Division de l'économique, de la statistique et des relations fédérales-provinciales a préparé un document sur la première publication des chiffres de population et de logement tirés du recensement de 2001 ainsi qu'un document sur les premières données du recensement de l'agriculture de 2001. Le modèle en question tient compte de la migration, des naissances et des décès, et la *Annual*

Statistical Review a été révisée pour inclure ces renseignements. La Division a aidé les ministères du Développement et de la Technologie, des Affaires intergouvernementales, du Tourisme et des Pêches, de l'Aquaculture et de l'Environnement concernant les questions économiques.

La mise en œuvre d'un nouveau programme d'évaluation de l'utilisation agricole, qui fournit un allégement fiscal applicables aux terres agricoles possédées par des non fermiers et louées de bonne foi aux fermiers, a été complétée. Au moyen de ce programme, 806 parcelles de terre représentant 24 700 acres de terre défrichée ont été approuvés pour un allégement fiscal dans le cadre de l'évaluation de l'utilisation agricole.

Point stratégique 2 :

Maximaliser le rendement des revenus et les investissements provinciaux

La Division de la gestion budgétaire a mis au point une nouvelle stratégie de gestion des dettes qui aura pour effet de payer 169 millions de dollars de dettes du fonds d'amortissement au cours des deux prochaines années, et de refinancer d'autres dettes à des taux plus avantageux. La stratégie se soldera par des économies importantes pour la province en matière de frais d'intérêts sur la dette actuelle.

Une révision de la nouvelle appréciation de l'évaluation foncière de tous les biens-fonds récréatifs et côtiers de l'Île-du-Prince-Édouard a été mise en place en 2001-2002. Un total de 2 700 propriétés ont été réévaluées avant le 1er janvier 2002, et on prévoit que cet effort de réévaluation sera terminé en 2003-2004.

Le ministère a terminé son travail sur toutes les réclamations résultant de l'onde de tempête de janvier 2000, ce qui s'est traduit par un paiement intégral total de 749 000 dollars. Les vérificateurs de Conseils et vérification Canada ont révisés tous les dossiers avant la demande de paiement en vertu des Accords d'aide financière en cas de catastrophe (AAFCC). Ils ont décidé qu'environ 160 000 $ de réclamations n'étaient pas admissibles au partage des coûts en vertu des AAFCC. Cela s'est soldé par un recouvrement net pour la province d'environ 507 000 $ après déduction de sa part par habitant de 135 000 $ et ajout de ses dépenses d'administration d'environ 53 000 dollars.

La Division de l'économique, de la statistique et des relations fédérales- provinciales a travaillé en étroite collaboration avec le Trésor de l'Île et les Affaires intergouvernementales à la préparation du premier ministre aux rencontres des premiers ministres, en portant une attention toute particulière sur le programme de péréquation. Des rapports sur la péréquation et les questions de TCSPS (Transfert canadien en matière de santé et de programmes sociaux) ont été préparés pour la rencontre annuelle des premiers ministres qui s'est tenue à Victoria, C.-B., les 2 et 3 août 2001.

L'équilibre des revenus en 2001-2002 s'élevait à 282,3 millions de dollars, soit 7,3 millions de dollars au-dessus du budget. Le TCSPS a été augmenté de 16,6 millions de dollars par comparaison à la base précédente pour atteindre 86,6 millions de dollars en 2001-2002.

Point stratégique 3 :

Accorder la priorité aux ressources humaines

L'équipe de production de *Island Focus* a été honorée par l'Association de l'industrie touristique de l'Île-du-Prince-Édouard : elle a reçu le prix des *Walt Wheeler Media* en 2001.

Un Comité des primes de maintien de l'effectif de la TI (technologie de l'information) a été créé à la suite de la signature de la convention collective. Le Comité a déterminé l'admissibilité aux bonus de maintien de l'effectif de la TI. Les bonus variaient de 300 $ à 2 552 $ selon le niveau de classification. Un total de 140 travailleurs de la TI étaient jugés admissibles aux bonus.

Le Secrétariat des femmes interministériel continue de jouer son rôle de leadership local et national aux initiatives de promotion de l'égalité des femmes et des hommes.

En mai 2001, le personnel du ministère a participé à un sondage pilote sur le mieux-être en milieu de travail effectué par Santé Canada. Une fois terminés, les sondages ont été envoyés à une firme indépendante d'Ottawa qui était responsable de l'analyse des données et de la production du profil d'un milieu de travail. Un profil a été créé pour chacun des ministères qui ont participé en fournissant des commentaires sur les résultats du sondage et qui ont formé des comités sur le milieu de travail et étudié les résultats.

La Division de l'économie, des statistiques et des relations financières fédérales a appuyé le Forum des directeurs grâce à des présentations sur les questions économiques et gestion budgétaire.

Point stratégique 4 :

Maintenir une approche de société commerciale dans les questions financières et d'orientation

Une responsabilité primordiale de la Division de la gestion budgétaire consiste à gérer la dette et les activités d'investissement en minimisant les frais d'intérêt sur la dette. Au cours de l'année, la Division a émis une débenture de 100 millions de dollars avec un rendement de 6,25 pour cent. Les fonds recueillis par la vente de la débenture ont servi au financement de projets d'immobilisations et à la réduction de la dette à court terme. Le rendement sur la débenture a été considéré comme très intéressant.

La Division a consacré beaucoup de temps à réviser et à évaluer les changements proposés aux normes comptables du secteur public, et elle s'est également appliquée à définir les conventions de présentation des états financiers les plus convenables dans le cas des régimes de pension du gouvernement.

La Division de l'orientation et de l'évaluation a soutenu le Conseil du Trésor de manière continue en matière d'analyse, de conseil et d'administration et elle a entrepris des projets spéciaux et des initiatives au nom du Conseil du Trésor ou du ministère du Trésor de l'Île.

Point stratégique 5 :

Élaborer et mettre en œuvre des systèmes et de programmes de TI afin d'aider le gouvernement à régler ses questions commerciales

On a décidé de rehausser le niveau du système financier du gouvernement pour faire passer le gouvernement de l'Î.-P.-É. à une infrastructure en direct, ce qui permet à notre système financier de s'engager dans le commerce électronique. Un certain nombre de projets ont été réalisés en préparation de la mise à niveau du système qui est prévue pour l'été de 2002.

En collaboration avec la Commission de la fonction publique, on a mis au point un prototype de portail pour le personnel afin de fournir divers services et renseignements au personnel et à la gestion.

On a coordonné les activités de la province pour en faire la province de prestige en matière de gouvernement au cours de la conférence annuelle nationale qui s'est tenue à Ottawa durant la semaine de la technologie. À titre de province de prestige, l'Î.-P.-É. a tenu plusieurs séminaires, présentations et événements devant des auditoires nationaux.

Le Programme des reçus de dépôt provincial s'est terminé le 31 mars 2002. Au cours de l'année, on a communiqué avec les clients pour prendre des arrangements quant au rachat. Plusieurs ont choisi de laisser leurs certificats et de les racheter dans un délai donné. Une telle interaction avec nos clients a favorisé un processus de rachat très efficace et ordonné qui a virtuellement éliminé les files d'attente. Durant l'année, 6 878 certificats ont été rachetés, faisant ainsi passer le solde du principal à 37 737 031.20 millions de dollars.

La Division de l'économie, des statistiques et des relations financières fédérales a diffusé des études portant sur le budget fédéral et le budget provincial, et elle conserve un dossier historique de la situation budgétaire en format électronique afin d'aider à la gestion budgétaire.

Provincial Treasury Financial Summary

	Unaudited Actual 2001/2002 $	3rd Quarter Forecast 2001/2002 $	Budget Estimate 2001/2002 $
Expenditure by Division*			
Administration	416,456	493,000	557,000
Fiscal Management	866,378	981,000	1,050,400
Policy and Evaluation	485,811	505,500	507,000
Taxation and Property Records	5,885,928	5,886,300	5,983,800
Office of the Comptroller	1,514,495	1,485,400	1,564,700
Information Services	3,335,179	3,531,700	3,550,900
Economics, Statistics and Federal Fiscal Relations	440,503	465,300	476,700
Information Technology Management Group	5,302,533	5,337,100	5,357,000
Total Department Expenditures	**18,247,283**	**18,685,300**	**19,047,500**
Other Budgetary Responsibilities**			
General Government	6,467,995	7,704,800	7,569,900
Interministerial Women's Secretariat	321,753	344,700	345,300
Council of Maritime Premiers	183,700	-	183,700
Interest Charges on Debt	105,622,836	106,100,000	108,971,700
Revenue*			
Federal Sources	371,883,469	-	365,868,000
Provincial Sources	470,990,643	-	464,323,400
Investment Revenue	12,893,208	-	11,714,200

* Detailed budgetary information is included in Appendixes A and B.

** Detailed budgetary information is included in Appendix C.

Economics, Statistics and Federal Fiscal Relations Division

Role/Mission

The Economics, Statistics and Federal Fiscal Relations Division strives to provide research, analytical expertise and advice at the highest professional standards to the department and Government generally on a wide range of tax, statistical, economic policy and federal-provincial fiscal matters. The major focus of the division is on federal transfer payments, income tax issues, statistical reports and economic analysis for Government. The division's role includes responsibility for analysing, researching and publishing key statistical information/data, and in disseminating statistics across Government. The division represents the Province in discussions with the Federal Government and provinces and territories on a variety of key federal-provincial fiscal arrangements, supports the Provincial Treasurer and Deputy Provincial Treasurer at high level meetings on these subjects, and promotes the interests of Prince Edward Island in public and academic circles. The work includes discussions with bond rating agencies.

Overview

Federal Fiscal Relations

Interprovincial work on fiscal transfers, the equalization program and revenue forecasting

This includes research and development of equalization and economic models for provincial and fiscal needs to support negotiations, as well as speaking engagements representing the Province at academic meetings. Some meetings included: C.D. Howe Institute Roundtable, Halifax, April 2001; Canadian Economics Association Meeting, Montreal, May 2001; IGA presentation, Winnipeg, July 2001; ACEA conference, Fredericton, September 2001; and Equalization conference, Montreal, October 2001. As well, a presentation was given in the United Kingdom on Canadian Fiscal Reforms, which was well received and has led to the Canadian Forum of Federations requesting that our province co-host a conference in Prince Edward Island.

The most prominent aspects of federal-provincial fiscal arrangements are Equalization, Canada Health and Social Transfer, the Income Tax Collection Agreement, the Reciprocal Taxation Agreement, Fiscal Stabilization and Statutory Subsidies. Revenue associated with these arrangements valued $548.6 million in the year **2001-2002**, or 56.4 percent of total provincial revenues. Extensive liaison continued with the Federal Department of Finance and the Canada Customs and Revenue Agency in this work. In addition, the division represents the Province at provincial/territorial and Atlantic finance officials' meetings in preparation for ministerial discussions. The minister and the director, together with the Atlantic finance ministers made a presentation to the Finance Standing Committee on Bill C-18 concerning the level of the ceiling on Equalization, April 2001. As well, the Provincial Treasurer took the Province's case concerning the deficiencies in the equalization program to the Senate National Finance Committee in October 2001.

Provincial Economics

The preparation of economic outlooks, publishing the PEI Economy Progress Report, and periodic reports for public dissemination

The PEI Economy Progress Report 2001 was published in November 2001 and continues to be enhanced with many colour graphs and charts for the reader's interest. The provincial economic forecasting model continues to be refined.

Tax Policy

Analytical research on tax policy issues

The division is responsible for the provincial Personal Income Tax (PIT) and Corporate Income Tax (CIT), which are administered through the Federal-Provincial Tax Collection Agreement. The division was instrumental in extensively amending the *Income Tax Act* to provide for a new Income Tax system which came into effect for the 2001 taxation year. The Tax on Income (TONI) income tax regime levies provincial income tax on taxable income as opposed to levying it as a percentage of basic federal tax and provides for separate provincial and federal income tax rates, brackets, and non-refundable credits. The move to Tax on Income required the division to develop a model to measure changes to the Personal Income Tax system. The division continues to work with the federal Department of Finance and Canada Customs and Revenue Agency on the transition to the new system. The Tax Collection Agreement with the Federal Government is under review. The division also advises other provincial departments on tax issues.

Statistics

The availability of statistical information to Government officials on the Government Intranet and to the public via the Government Internet Web site was improved

These sites are updated monthly. Statistical support for the Provincial Government continues as a priority.

As the statistical focal point for PEI, the division maintains a close working relationship with Statistics Canada on statistical matters. Statistical information is released to the public via the Government Internet Web site (***www.gov.pe.ca/infopei/Statistics/index.php3***), while more detailed information is provided to Government officials on the Intranet (***iis.peigov/gov't/pt/index.html***). The division also uses these sites to disseminate publications authored by the division, such as:

- The Annual Statistical Review
- The PEI Economy Progress Report
- PEI Census Population by Health Region
- Population Projections for PEI
- Summary of Selected Economic Indicators
- A Note on the Release of 2001 Census of Agriculture Data
- An Explanation of Gross Domestic Product at Basic Prices
- A New Constant Dollar Measure for National Accounts

Navigation of the Government Web site has been simplified by directly linking it to Statistics Canada's Web site making many data sources available to the public including the first release of 2001 Census data in March 2002.

Report Highlights

Equalization Renewal

Equalization consultations concerning the formula renewal for 2004 were the focus of the work. The highlight was a special meeting of the Federal-Provincial Fiscal Arrangements Committee, sponsored by the division, which took place in August 2001 in Charlottetown to discuss Equalization. That meeting involved academics from USA and Canada and was of significant importance to the programs' development.

The division supported the minister and deputy at Provincial/Territorial Finance Ministers' meetings April 25 to 26 and June 13 and 14, 2001, and in presentations by the minister to the Standing Committee on Finance, and the Senate Finance Committee, in Ottawa.

Atlantic Finance Meetings

The division continues as a prime mover in encouraging the Atlantic finance departments to work cooperatively on federal fiscal issues. This led to the establishment of regular meetings of Atlantic finance ministers. The Atlantic Provinces Finance Ministers met in Charlottetown, October 2, 2001.

Federal-Provincial Fiscal Issues/Transfers

The division continues to research and prepare various economic papers on fiscal needs of the Province and to develop position and discussion papers on the role of federal transfers. Responsibilities include Equalization and the Canada Health and Social Transfer, related policy issues, revenue forecasts, federal/provincial reviews, social union discussions, health services, report for provincial budgets, and monthly revenue monitoring.

In April 2001, the Provincial Treasurer indicated the Province would join Quebec, Ontario, New Brunswick, Nova Scotia and the Federal Government to increase the Health Tax on tobacco.

The division participates in communication strategies to defend provincial fiscal interests at the national level. The division also participates in joint exercises with Atlantic finance counterparts.

The division has worked closely with the Provincial Treasurer and Intergovernmental Affairs in preparing the Premier for First Ministers meetings, and in particular the need to focus attention on the Equalization program. Reports on Equalization and CHST issues were prepared for the annual Premiers meeting in Victoria, B.C. on August 2 and 3, 2001.

The division also represented the Province at federal-provincial meetings on the Canada Pension Plan in June 2001 and January 2002.

Tax Policy Issues

The division staff worked on tobacco tax issues resulting in Health Tax increases effective April 5 and November 1. The division prepared new regulations of the *Income Tax Act* for Treasury Board approval. The Tax Policy Economist attended the Federal-Provincial Tax Policy Committee meeting in November in Ottawa. A Provincial Income Allocation Task Force consisting of CCRA and a number of other provinces was set up. This meeting took place in Calgary, Alberta.

As usual, advice on budgetary measures and input to the Provincial Budget were provided.

The Tax Policy Economist resigned his position to return to Ontario effective February 15, 2002.

Provincial Budget Program

The division participated intensively in the Provincial Budget process. Papers prepared by the division for the Budget Address included: Budget Paper A: Background Notes on the Economy, consisting of Provincial Highlights 2001, National and International Review, the Prince Edward Island Economy, Detailed Industry Analysis, and Summary Statistics; Budget Paper B: Federal Fiscal Issues consisting of Provincial-Territorial Consensus, Federal Committees, and Prince Edward Island Federal Revenues.

The division delivered reports to Budget Cabinet on the economy and federal fiscal transfers.

Statistical Activities

The division develops strategies to further improve data dissemination. It continues to develop key information for senior Government officials via the inter-departmental Intranet Web site including further research and development of demographic models.

Statistical activities include a dissemination strategy for management and the Province; demographic forecasts; statistical publications and reports with monthly updates on the Intranet; representation at Statistics Canada meetings; maintenance of databases and report storage facilities; responses to public and Government department requests including participation in special projects; and analyses of specific statistical concerns.

The population model takes into account migration/births/deaths for Prince Edward Island and continues to be improved. Numerous requests for population data and projections by Census subdivisions, by county, and health regions were prepared. The *Annual Statistical Review* was revised to include this information.

Additional free sites from Statistics Canada have been linked to the Government Internet Web site. More files and documents are now coming electronically and division staff are working with Statistics Canada to archive these publications. New formats were developed to access this information.

A bilateral agreement between Statistics Canada and the Province enabled the division to develop a detailed Input-Output model to provide further analysis of the Island economy.

Meetings

Out-of-province meetings included: Equalization and Transfer Sub-Committee meetings, Fiscal Arrangements, Continuing Committee of Officials Sub-Committee, Census of Population, Demography, Public Sector, Provincial Economic Accounts, Tobacco Tax meetings, support at ministerial meetings on fiscal issues, Consultative Council on Statistical Policy meeting, Tourism Satellite Accounts meeting, Gross Domestic Product (GDP) meeting, APEC Outlook Meetings, and CMHC meetings.

National Economic Issues

Responsibilities include providing advice on the Federal Budget and federal fiscal position, T3 overpayments issue, Bank of Canada monetary policy, federal indebtedness, interest rates and Canadian dollar, national economic performance, and U.S. and other countries.

Canada Pension Plan

Responsibilities include advice to minister and deputy on financial issues. The Province participates in CPP policy discussions through representation by the division.

Federal Finance Meetings

Responsibilities include preparation of material and attendance at deputies' and ministerial discussions on transfer, tax policy and fiscal issues generally. Fiscal federalism meetings were attended by staff.

Economic Outlook

Responsibilities include preparation and publication of the Progress Report, tracking private sector forecasts and outlooks, input-output analysis, economic report for the provincial budget and periodic reports for public dissemination, bond rating discussions and presentations, and reports to the Federal Department of Finance. The Province's credit was rated "A" by Standard and Poor's, November 29, 2001.

Economic Development

The division collaborated with the departments of Development and Technology and Intergovernmental Affairs in the preparation of a comprehensive report to the Strategic Planning Committee on Economic Policy concerning the economic future of Prince Edward Island presented in April 2002.

In addition, the division also participated in the study, *The Value of the Ocean Sector to the Economy of Prince Edward Island*, sponsored by the departments of Fisheries, Aquaculture and Environment; Development and Technology; and Tourism PEI, as well as Fisheries and Oceans Canada, Environment Canada and the Atlantic Canada Opportunities Agency.

Fiscal Management Division

Role/Mission

The mandate of the Fiscal Management Division is to provide excellence in the management of the financial resources of Government. The division is also mandated to ensure that public funds are properly budgeted and monitored. The mandate of the division requires that the return on Government's investments is maximized, and that cash and debt management costs are minimized within established risk tolerances.

Overview

Budget Management

The Budget Management Section is responsible for the preparation and coordination of the Provincial Budget, which assists Government in the overall financial plan for the Province.

The section also provides technical support and policy advice on various aspects of Government fiscal planning.

Under the direction of Government, the section prepares the annual Estimates of Revenue and Expenditure; develops, implements and reviews budgetary systems and quarterly forecasts; manages the appropriation control system; and formulates and implements expenditure limitation and control policies as directed by Treasury Board and/or Executive Council.

The Budget Management Section analyses, assesses and monitors all financial, personnel, administrative proposals and issues for overall budgetary impacts.

Investment Management

The Investment Management Section is responsible for the day-to-day banking for the Province. This section is involved with the development of short, mid and long-term debt management strategies. These strategies include making arrangements for: cash management, project financing, issuance of public debt and asset/liability management for crown corporation debt.

Attached to all semi-annual pay debentures of the Province is a provision for sinking fund contributions used for principal repayment. These sinking funds, which are set aside annually, are also managed by the Investment Management Section. These monies are invested under guidelines set out in the *Financial Administration Act* and are tightly controlled by an internal Sinking Fund Policy which is reviewed regularly.

The pension monies for four funds are managed under an "umbrella trust" which is monitored and controlled by the Investment Section staff. Although the Investment Management Section does not directly invest the pension monies as it does for the Sinking Fund, it does act as the manager of external managers. This work includes establishing and monitoring investment guidelines and daily monitoring of the assets and money flows of the managers and the trust itself.

Report Highlights

Budget Accomplishments in 2001-2002

The Budget Management Section has successfully tabled the 2002 Budget Address, Budget Estimates of Revenue and Expenditure, *2002 Appropriation Act* with the supporting Supplementary Estimates. These documents were created with input from all departments/agencies and crown corporations.

With the selection of Oracle Financial Analyzer as the Province's computerized budgeting tool, staff of the division worked with a local vendor to design the structure of the database, link data with the Financial Information System (FIS), produce reports, develop processes and procedures, test the system, and develop training plans. Once completed, the new budgeting system will enhance the collection and reporting of budgetary data at all levels of the organization.

The Budget Management Section was also active in designing a new computer spreadsheet to be used for developing salary budgets and monitoring actual salary expenditures. The Budget Management Section invited financial administrators in selected departments to provide input on desired features, and worked with the Information Technology Management Group to have these features incorporated. Salaries represent a significant percentage of overall Government expenditures, and the new spreadsheet will give staff a useful tool to manage these costs.

Debt and Investment Accomplishments in 2001-2002

In keeping with the Fiscal Management Division's objective of minimizing interest charges on debt, the division issued a $100 million debenture with a yield of 6.25 per cent. The funds raised by the sale of the debenture were used to finance capital projects and reduce short-term debt. The yield on the debenture was considered to be very attractive.

A new debt management strategy has been implemented which will result in $169 million of debt being paid out from the Sinking Fund over the next two years, and other debt refinanced at favourable rates. This strategy will result in significant savings to the Province in interest charges on the debt.

The Master Banking Agreement was finalized, approved and signed. This agreement formally documents the new banking arrangement that was initiated in the 2000/2001 fiscal year. The agreement provides for various services including the pooling of cash balances of all government accounts and several crown corporations accounts in order to facilitate a consolidated cash management system. The Province of Prince Edward Island is the first major jurisdiction to implement this type of integrated system. During the year additional crown corporations were added to this consolidated process and more are planned for the upcoming year. As well, significant steps were undertaken to add additional banking services that will use the most up-to-date technologies in order to improve efficiencies and reduce costs.

Pension Accomplishments in 2001-2002

The division, on behalf of the Investment Advisory Committee for the Master Trust Pension Funds, completed an Asset/Liability Study of the Province's pension fund assets and liabilities. Out of this study a new investment strategy evolved, which resulted in the division updating the Statement of Investment Policies and Procedures for the fund and coordinating the movement of $200 million in assets from various investment managers to bring assets in line with the new investment strategy.

The section has taken a more active role in providing regular reports for the Master Trust Investment Advisory Committee other than those created by the consultant, James P. Marshall (Consultant) Inc. These reports include graphs, tables and charts which provide a clearer summary of current events. As well, ad hoc reports on important and timely topics are generated on an ongoing basis to keep the committee and the minister apprised of happenings in the investment markets and within the Master Trust Fund itself.

Bond Rating

The division is responsible for coordinating the information on the Province for the bond-rating process. The division gathered key information on debt, economic forecasting, and additional pertinent financial information. As a result of this information on the performance of the Province, the bond raters rate the Province on an annual basis. Over the past two years, the Province's rating has been upgraded by all of the rating agencies. For example, in July 2000, Dominion Bond Rating Services (DBRS) upgraded from BBB (high) to A (low), and in May 2002, Moody's upgraded from A3 to A2, and Standard and Poor (SandP) harmonized their rate from BBB+ to A. These improved ratings for the Province is a good signal to all investors that Prince Edward Island is a good and sound place for investment.

French Services Implementation Plan

In keeping with the implementation of the *French Services Act*, information provided by the divisions has been compiled into a Master Provincial Treasury Document. A combined listing of all forms, documents and publications for all divisions of the department, that have to be translated into French have been coordinated and provided to Acadian and Francophone Affairs, who have the ultimate responsibility for the implementation of the act.

En accord avec l'exécution des Français que les services, l'information fournie par les divisions a été compilé dans un document provincial de trésor. Une liste combinée de tous les forms, documents, et publications pour toutes les divisions du department qui doivent être traduits en Francais ont, été coordonnees et fournies aux affairs acadiennes et francophones, qui ont la responsabilité finale de l'exécution de la Loi.

Information Services Division

Role/Mission

The mission of the Information Services Division is to strengthen Government's business messaging by providing departments, crown corporations and agencies with a range of communication services.

Overview

Multimedia Services

Multimedia Services provides various audio-visual and technical support services to all Government departments and agencies as well as the Legislative Assembly, the Supreme and Provincial courts and Island schools. Services include video and radio production, photography services, multimedia consultation, graphic design, new media design, equipment maintenance, media-monitoring service, public announcement (PA) and media feeds for news conferences and events, short-term loan of audio-visual equipment, and data-entry services. The Provincial Government's community outreach program, *Island Focus* is also produced by staff of Multimedia Services.

The Document Publishing Centre (Queen's Printer) and Postal Services

The Document Publishing Centre provides professional services to clients including: digital, on-demand, high-speed electronic printing; networking capabilities; full-colour photocopying; offset press printing; bindery services; consulting services for acquisitions of photocopiers; as well as a print shop management system charge-back service.

Postal Services provides in-house processing of all Provincial Government mail by sorting and distributing incoming mail, bursting and trimming forms, inserting and stamping services, cheque signing, processing of outgoing mail for Canada Post, Island-wide courier services to all Provincial Government departments and affiliates as well as monthly statements and charge backs through the postal management system.

Strategic Marketing and Design Services and Island Information Service

These two sections of Information Services provide service to all Government departments and agencies in the following areas:

Strategic Marketing and Communications Plans – the section develops and implements strategic marketing, communications and media plans for departments, agencies and specific events.

Advertising Design and Production – the section advises on strategic copy and prepares the layout and artwork according to the mechanical specifications of the print media and in accordance with the Government of PEI's corporate identity guidelines.

Document Design and Layout – the section prepares artwork for the production of newsletters, brochures, invitations, certificates, annual reports, application forms, directories, trade show displays and posters.

News Releases – the section advises on, and in some instances prepares, news releases for distribution to the media through Island Information Service.

Promotional Products – the section designs and/or sources promotional and incentive materials to be used at trade shows, as ministerial gifts or for departmental promotions.

Wordmark Guidelines – the section advises the rest of Government on the accepted use of the Provincial Government wordmark; provides electronic formats to outside parties when requested; provides staff workshops on the use of the wordmark; and monitors the use of the wordmark in advertising, signage, brochures, newsletters, letterhead, envelopes, business cards and displays.

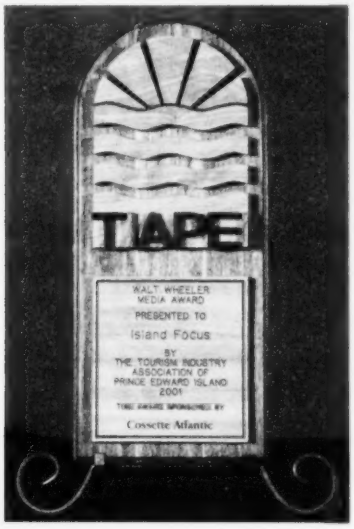
Editing Service – the section edits and proofreads departmental documents intended for publication and distribution to the public.

Island Information Service is the official distributor of Government news releases to the media. IIS responds to inquiries from the general public and other Government employees for information on Government services, programs and other general information. IIS maintains an inventory and distributes Government publications including the Throne Speech, Provincial Budget, annual reports and provincial legislation. IIS produces the Government Services Directory, Quick Reference Guide, Employee Telephone Directory and assembles the content for the Government Blue Pages published in the Island Tel phone book. IIS also provides a centralized fax service for departments without fax capability.

Report Highlights

Multimedia Services

The production team of *Island Focus* was honoured by the Tourism Industry Association of Prince Edward Island with the 2001 Walt Wheeler Media Award.



An Intranet Web site was developed in partnership with the Information Technology Management Group in response to demand for achieved media monitoring synopses. The site is accessible to the Premier's Office, senior management team members, directors and communication officers.

In addition to regularly produced weekly radio and television programs, planning and creative support was provided to Government departments and agencies for the production of more than 20 video, radio, television and new media projects, including:

- Private Land Forest Renewal video (Agriculture and Forestry)
- Hate on the Internet video – English/French (Education)
- Picking Up the Pieces video (Justice Resource Service)
- Breeder's Crown video (Agriculture and Forestry)
- Safe Harvest – A Guide for Potato Farmers video (AandF)
- Fisheries Trade Mission video for Hong Kong (PEI Business Development)
- International Year of the Volunteer commercial (Executive Council)

Staff of Multimedia Services assisted in showcasing the province's technology sector at the 2001 Technology in Government Conference in Ottawa. Support materials included a 40-minute booth video, animated logo, display booth signage and a 10-minute promotional video with original animation and graphics.

The pap screening television commercial produced last year for the Department of Health and Social Services was reformatted for broadcast and use in Newfoundland, Manitoba, Nova Scotia, and Alberta.

The provincial photographer provided creative support and images for many Government publications and special events including the Team Canada Atlantic Trade Mission to NewYork.

Key Statistics

Activity	2000/ 2001	2001/ 2002
Technical support for news conferences	75	62
Technical support for special events	28	48
Loan requests	1,596	1,482
Requests for multimedia projectors	301	436
Island Focus broadcasts	33	27
Island Focus segments online	16	49
Photography shoot assignments	400	354
Photography processing assignments	200	82
In-house audio-visual equipment repairs	500	379
Service calls for audio-visual equipment repairs	132	235
Graphic design projects	297	274

The Document Publishing Centre and Postal Services (Queen's Printer)

During the year 20 million impressions were produced by the Document Publishing Centre. New technology purchases and upgrades have enhanced services provided by the Document Publishing Centre and Postal Services.

A newly acquired offline perforator, score and numbering machine made it possible to produce items such as receipt books and perforated and numbered forms in-house resulting in cost savings to Government. Also acquired was an engraving machine which gives the Document Publishing Centre the ability to create high-quality business cards, stationery and envelopes. A machine used to pre-crease full-color covers sent to the printer was also obtained. When used, this machine prevents cracking of covers, which in turn eliminates wastage and ensures clients are satisfied with the final product.

The implementation of a new print shop system now tracks all print jobs produced by the Document Publishing Centre and has the ability to send out monthly statements and maintain a record of all print jobs. It also has the ability to track the status of jobs and to provide statistical reports on departmental allocation for clients. In addition, the system now tracks inventory on a daily basis.

During the year, a new server for the Docutech was obtained providing additional memory space allowing more jobs to be sent electronically and also allowing jobs to be replicated and sent to either Docutech.

On September 12, 2001, the Document Publishing Centre hosted an open house. Two hundred and five clients from across Government attended the event. Employees of the Document Publishing Centre, as well as representatives from the manufacturers, were on hand to provide information about products and services. The event provided a greater understanding of the services offered by the Document Publishing Centre as well as some giveaways and refreshments. An Intranet Web site was established for the Document Publishing Centre and Postal Services. This site allows people to view information on the different services offered by the Document Publishing Centre and allows clients to make an informed decision on the type of services best suited to their needs. Instructions on how to execute the particular jobs are also included on the site.

In-house mail delivery was implemented on a trial basis during the year. A positive response was received from all departments regarding this upgraded service which provides regularly scheduled pickup and delivery of mail saving time for departmental staff.

Examples of Jobs Produced During the Year Include:
Violence Prevention (7,000 English, 1,000 French plus posters)
Hunting, Fishing and Trapping Brochures (7,500 French and English)
Collective Agreements (7)
Peer Education
Student Aid
Annual reports for departments
Auditor General's report
School Board Trustee Electoral
Tourism Information Book
Responsible Pesticide Use
Government Services Directory
Signage Review Report
Budget, Estimates and Budget Speech

Strategic Marketing and Design and Island Information Service

During the year the section executed over 2,411 separate projects for the Premier's office, Government departments, agencies and crown corporations. Island Information Service issued 473 news releases and 129 media advisories for Government. They also sent out close to 1,000 PEI information packages to students across Canada doing school projects. In January of 2002, with the support of the Information Technology Management Group, Island Information Service implemented a database management system to segment and sort requests for publications to be mailed out.

The section also worked closely with departments and Acadian and Francophone Affairs/Translation Services to continue the process of converting English only materials to bilingual format in accordance with the *French Language Services Act*.

The section continued to carry out electronic production and delivery of Government ads for print media with a volume increase of 10 per cent over the previous year.

Strategic Marketing and Design continued to enhance in-house computer graphic design capabilities through upgrades of Macintosh equipment and software, and staff training. Two-, three- and full-colour design work increased by 30 per cent over the previous year.

Staff provided planning and creative support including design and production of artwork for various marketing materials for such projects as:

- Canadian Agriculture and Food Celebration Calendar
- Seafood Products Directory
- ICC Wine Festival 2002
- Provincial Library Week and Summer Reading Programs
- Agriculture's Serving Islanders for 100 Years promotional material
- Summer Tutoring Program for Kids
- Young Single Parent Information Kits
- Victim Services Promotional Materials
- Signage Review Committee Report
- Annual Reports – Provincial Treasury, Liquor Control Commission, Lending Agency, Public Service Commission, Tourism, Library Services, Education, Community and Cultural Affairs, Attorney General, as well as, covers for Agriculture and Forestry and Development and Technology
- Education Technology Strategic Plan
- Journal of the Legislative Assembly
- Prenatal Resource Directory, Baby Help and Nursing Home Booklets
- Public Accounts
- Royal Gazette
- Throne Speech
- Budget Highlights

Information Technology Management Group

Role/Mission

The mandate of the Information Technology Management Group is to maximize the return on investment for Government on internal information technology expenditures while assisting our clients in the delivery of information technology solutions. To satisfy the mandate of the division, ITMG provides a broad range of services to Government departments and agencies. To deliver these services, the division is organized into five sections.

Overview

Office of the Chief Information Officer

The Chief Information Officer (CIO) is responsible for providing leadership and setting the strategic direction for IT in Government. Staff of the Office of the CIO are responsible for IT Security, IT Strategic Planning and Policy Development, IT Human Resource Planning.

Administration

The Administration Section provides administrative, financial, and personnel services to the division.

Information Systems Delivery

Information Systems Delivery (ISD) provides support to various Government departments and agencies in a wide range of information technology/business activities. This is accomplished through planning, development, implementation, maintenance, enhancement and support of information systems using traditional and new technologies.

IT Operations

The IT Operations Section is responsible for management of the corporate central processing facilities; provision of technical support for computer hardware and software for workstations and special and general purpose servers, and leadership in the development of technology standards and guidelines.

Telecommunications

The Telecommunications Section is responsible for providing a leadership role in voice, data, and hybrid network services. The section oversees the provisioning and management of telephone and mobile communication services across Government and plays a key role in data communication planning and operations. The section also provides telecommunication consulting and project management services.

Key Result Areas Identified

- Leadership in Information Technology
- Quality Service
- Commitment to Foster Good Communications
- Support to Our Clients in the Appropriate Advancement of Electronic Service Delivery
- Effective Human Resource Management Practices
- Positive Work Environment
- Establishment of a Divisional Planning Process

Report Highlights

Office of the CIO

Played a leading role in developing, implementing, and educating public sector employees in standards related to the security of Government IT systems, information, and electronic transactions; defining IT architecture for Government; coordinating the development and implementation of human resources plans to address recruitment, retention, and development of IT human resources; and assisting ITMG and other Government departments with the development of IT Strategic Plans.

Defined policies, legislation and standards to support the use of IT; coordinated the development of system-wide policies related to IT human resources development; provided project leadership and coordination of IT development within Government; and coordinated the development of cross-departmental initiatives and special projects related to the implementation of the Human Resource Plan for IT workers.

Coordinated the Province's activities as the Showcase Province in the Government in Technology Week national annual conference held in Ottawa. As the Showcase Province, PEI hosted several seminars, presentations and events for national audiences.

Corporate IT Human Resources Planning

Current Human Resources Planning includes: the creation of an IT workforce profile, identification of HR trends and issues in information technology, and the development of human resource strategies. Some of the strategies are underway including:

- the adoption of the Occupational Skills Profiling Model (OSPM) as the foundation of the HR Plan for IT;
- the development of an IT Competency Profiling System;
- the development of an IT job description writer using the OSPM;
- a corporate approach to IT training;
- the development of benchmark IT job profiles for classification purposes; and
- the use of exit interviews.

An IT Advisory Committee on Classification was established to review classification issues. The committee recommended a number of strategies which have been incorporated into the HR Plan. A consultant is now under contract to develop an IT Competency Profiling System which includes mapping all IT jobs in the PEI Civil Service to the OSPM and developing benchmark IT job profiles based on the OSPM that will be matched to the Willis classification system.

The IT Competency Profiling System will provide IT workers with a Skills Profile and Skills Gap Analysis. This information can be used in developing career paths and performance development plans.

A Corporate IT Training Fund has been in place since the 1999-2000 fiscal year in the amount of $120,000. In the 2001-2002 fiscal year, the amount was reduced to $97,800. Training needs have been identified by the IT managers and training for IT workers has been coordinated through the corporate IT HR planner. In addition to the Corporate IT Training Fund, an additional $120,000 is spent in IT training at the departmental level.

An IT Retention Bonus Committee was established following the signing of the Collective Agreement. The committee determined eligibility for the IT retention bonus. The bonus ranged from $300 to $2,552 depending on classification level. A total of 140 IT Workers were deemed eligible for the bonus.

Security

Recognizing the importance of protecting important personal and business information, significant effort was directed toward IT security. Tasks completed include:

- continued effort in rolling out of Minimum IT Security Standards across Government;
- developed an IT Security Self Assessment Questionnaire for Government departments;
- hosted one-day information session titled PKI Day;
- participation on National CIO Sub-Committee on Information Protection;
- hosted information session with RCMP on Investigation Techniques;
- hosted two-day education and awareness sessions for Senior Management, IT Managers and IT Developers;
- acted as central point for disseminating information on threats, security advice and incident response;

Plans are underway to host a training and examination for CISSP (Certified Information Systems Security Professional) which would be offered to the Atlantic region.

Information Systems Delivery (ISD)

In collaboration with Public Service Commission, developed an Employee Portal Prototype to deliver various services and information to employees and management.

Led the development of an Information Technology Strategic Plan for the Public Service Commission.

Developed several WEB-based business applications for various Government departments.

Developed and implemented a Project Management Methodology to be used for all projects led and managed by ITMG.

Developed and implemented a Systems Development Lifecycle Methodology to apply industry standard processes and documentation standards to all software development projects.

Developed several new software applications for various departments.

IT Operations

Implemented e-mail for wireless devices. This service allows secure access to all GroupWise capability from any PDA equipped for wireless Internet.

Implemented an enterprise backup system for servers located in the central data centre. The service provides automated scheduling of backup and management of backup media.

Implemented an agreement with the Corel for attractive pricing on WordPerfect Office upgrades and new product.

Assumed workstation and LAN support for the Legislative Assembly.

Began implementation of Novell iFolder to deliver secure Netware file services over the Internet, while enhancing the security of stored data.

Telecommunications

Deployed secure remote Internet access to internal Government services using Firewall and Virtual Private Network Technology. This includes Government employees, business partners and third-party technical support vendors.

Implemented network management services that resulted in improved problem management, proactive capacity management and real-time notification.

Completed a health check analysis of the PAB complex to determine the health of the internal network and to provide recommendations for improved network service delivery.

Designed and planned for network infrastructure upgrade to facilitate central server co-location, core network distribution and wide-area (remote) network services. When implemented, network service delivery to all locations within the Government domain as well as the Internet will be both manageable and expandable to meet current and future network services needs.

Implemented high-level network analysis tools used to resolve existing network problems as well as to measure new network services to proactively evaluate the impact of the new service on the network.

Interministerial Women's Secretariat

Role/Mission

The Interministerial Women's Secretariat provides policy analysis and support to the Government of PEI in order to promote conditions for legal, health, social and economic gender equality for women and men.

Overview

The Interministerial Women's Secretariat hosts an interdepartmental policy forum with representatives from all departments. The forum generates information on the impacts of policies and programs on women and men.

The Secretariat provides support for the work of the Premier's Action Committee on Family Violence Prevention, the PEI Women's Network and the PEI Advisory Council on the Status of Women. It coordinates policy liaison and support to a number of community initiatives which explore and promote gender equality.

The Secretariat provides intergovernmental policy support to the Minister Responsible for the Status of Women and represents the Province on intergovernmental initiatives on the status of women, gender equality and diversity projects in labour, justice, health, economic, and education sectors. The Secretariat participates in gender related national and international initiatives, such as gender policy advisory boards and gender research projects.

Report Highlights

In 2001-2002, PEI chaired the Federal/Provincial/Territorial (FPT) working group on Gender and Health. It monitored the gender content in publicly funded research, advocated attention to gender in national population health indicators, and explored emerging issues related to caregiving. Other FPT work included co-chairing the development of indicators on violence against women, proposal development for cross-jurisdictional work on taxation and dependent care, and research on changing work cultures in order to accommodate gender and diversity.

Related appointments include the Institute of Gender and Health Advisory Board, the Advisory Committee to the Women's Health Surveillance Report, the Commonwealth committee developing an international training institute on gender and HIV/AIDS, and serving as co-chair of the Atlantic Centre of Excellence on Women's Health.

The Secretariat provided time and resources to consultations for the renewal of family violence prevention strategies; the distribution of violence protocols in provincial health, justice and social services sectors; campaign development and distribution of violence prevention programs in PEI workplaces; research on women's access to justice services, and research on victims of sexual violence.

The Secretariat coordinated the development of gender equity and diversity promotion for the Canadian Association of Administrators of Labour Legislation (CAALL), piloted a population health policy inclusion lens demonstrating accommodation of diversity, and promoted equity and diversity perspectives in public programs and services.

The Secretariat chaired the working group for the Excluded Employees Training and Development Policy and participated in the Employer-Union committee tasked with developing a new employee handbook.

Office of the Comptroller

Role/Mission

The Office of the Comptroller maintains the Provincial Government's corporate accounting system, is responsible for directing financial control over the Operating Fund, administers a Corporate Procurement Service, and manages the Vehicle Fleet Information System for Government. It administers accounting, financial policies, provides financial advice, maintains the Province's financial records and produces the Public Accounts of the Province annually for presentation by the Provincial Treasurer to the Legislature and general public. It provides various administrative functions relating to the Reciprocal Tax Agreement, Accounts Payable/Cheque Issuance, Federal/Provincial claims, as well as providing support and advice in matters relating to financial management and policy submissions to Treasury Board and Cabinet.

Overview

Accounting

This function is responsible for the maintenance of the Province's financial accounts, the operation and maintenance of the Province's corporate accounting system, and preparation of financial statements and the Public Accounts. It is also responsible for preparation and audit of Federal/Provincial claims, and auditing and monitoring of financial transactions being submitted for processing in the Province's financial information system.

Accounts Payable and File Maintenance

This function is responsible for the timely and accurate processing of Government payments through a decentralized payment system and the file maintenance of all supporting financial documentation.

Procurement Services

This function is responsible for the timely and economical procurement of goods and services, and the administration and management of the Government's Fleet Vehicle Information System for light vehicles.

Financial System Support

This function is responsible for the support necessary to operate, maintain, and establish security over the Government's corporate financial information system. Through a Helpdesk approach, procedural and functional support is provided to financial system users.

Report Highlights

Accounting

Public Accounts
The section has spent considerable time reviewing and evaluating proposed changes to Public Sector accounting standards as well as time determining the most appropriate reporting policies for the Government's pension plans.

For the first time, Volume II of the Public Accounts (Year Ended March 31, 2001) was posted on the Province's Web site in January 2002. Volume II presents the details of revenues and expenditures of the Province's Operating Fund as well as a reproduction of the audited financial statements of the agencies, boards and crown corporations owned or controlled by the Province. Making this large document available on the Web site provides researchers with a practical method of obtaining information on the Province's finances.

Banking Infrastructure
This year saw closure of work on the master banking contract and the creation of two sub-agreements to provide the Province with the ability to conduct secure e-commerce transactions for supplier payments and to collect Government revenues over the Internet.

Procurement Services

Procurement Services carried out a review of its business processes in conjunction with implementing an e-commerce tool to streamline Government purchasing and reduce non value-added tasks. It updated its vision of electronic procurement in conjunction with supplier readiness, and began a pilot process to implement Internet Procurement, which will eventually connect users of goods to the suppliers through an e-commerce mode.

During the year, the section decided to replace its national electronic tendering system with an in-house system designed and developed to better meet the needs of our suppliers in a more cost-effective manner. This system, which is located on the Government's Web site, advertises, distributes tender opportunities for goods and services and handles responses to bid document packages from suppliers on PEI, across Canada, and from international destinations. In addition to work on our own system, work was carried out with the other Atlantic provinces to develop easy-to-use reciprocal access to each other's electronic tendering systems, which further reduced procurement obstacles, and increased tender interest by Atlantic Canada's suppliers.

Working with its Atlantic counterparts and the Council of Maritime Premiers' Office, the section drafted standard terms and conditions to be issued with Atlantic tender and RFP documents, and reviewed the feasibility of developing a common Atlantic Vendor Registry for use by Atlantic suppliers and procurement organizations. In addition, the section achieved significant savings for the Government of PEI by coordinating joint tenders for several commodities with other provinces.

The section assisted the Department of Development and Technology with interprovincial trade and procurement policy, and worked closely with regional and PEI industry associations to identify procurement opportunities for members. As part of this responsibility area, the section monitored Government's compliance with the *Public Purchasing Act* and the interprovincial trade agreements, and regularly provided guidance and assistance for clients.

The section reviewed some of Government's vehicle policies and presented several alternate management models to administer the Government's fleet of corporate vehicles, and recommended a more pro-active role for Procurement Services, with associated changes to Treasury Board policy.

Procurement Services continued to assist PEI municipalities, academic institutions, and health organizations by coordinating joint procurement opportunities and by providing support and advice on the effective use of electronic tendering. As part of its role in informing the public of procurement opportunities, the section participated in several trade shows and made several presentations to post-secondary students, explaining the section's role, opportunities for local suppliers, and use of current technology to conduct business.

Financial Information System

The decision was made to upgrade the Government's financial system to the next version in order to move the Government of PEI to an Internet-based infrastructure which enables our financial system to engage in e-commerce financial transacting. A number of projects were completed to prepare for the system upgrade planned for the summer 2002.

In November and December 2001, the database was upgraded to make ready for the applications upgrade and a hardware sizing exercise was carried out to determine if the two servers used by the existing version of the financial system had sufficient capacity for the new version. As a result of the review, a new server was purchased in March 2002 which was used to house the testing process and, after the upgrade, to house the production system. Significant effort was expended by staff in the areas of training and seemingly endless testing to prepare for the live cut-over of the production environment.

An e-commerce corporate business strategy review was conducted in August to identify areas within Government that could benefit from the installation of the new version of the corporate financial system. All departments were asked to attend a workshop where they provided input to us on their e-commerce direction. From this workshop a strategy document was developed which provided an inventory of departmental plans and requirements as they relate to e-commerce. As a result of the e-commerce business strategy review, three new modules were purchased to help accommodate the needs identified in the study. The e-commerce modules provide capabilities in procurement, Internet store, and an Internet employee expense and credit card processing tool.

The upgraded system will provide a number of new features and as a result direct deposit payments to employees and external vendors was researched and evaluated. Complementary bank software was acquired to process this type of payment which will result in payments being deposited directly into the supplier's bank account and an e-mail being sent containing remittance data.

The accounts receivable module was enhanced to allow departments to bill external customers for products and services. This will enable Government to house most, if not all, monies owed to Government on one central system which is maintained on a real-time basis for better management and collection practices. Many departments have been using their own accounts receivable systems which often does not provide for timely central recording of Government revenues. The new process results in revenue for these sales being recorded at the time of sale which is necessary to comply with the accrual method of accounting. Transportation and Public Works was the first department to make this expanded use of the Accounts Receivable Module. Plans are in place for other departments to make use of this feature in fiscal year 2002/2003. Monthly statements for customers are now being printed and mailed by the Office of the Comptroller.

Provincial Deposit Receipt Program

The Provincial Deposit Receipt Program ended effective March 31, 2002. During the year, customers were contacted to make arrangements for redemption. Many opted to leave their certificates and have them redeemed on a specified date. This interaction with our customers helped to facilitate a very efficient and orderly redemption process that virtually eliminated lineups. During the year, 6,878 certificates were redeemed with a principal balance of $37,737,031.20.

Operating Statistics for the Period Ended March 31, 2002

	Number	Amount
Financial system users supported	220	n/a
Help Desk calls received	1,842	n/a
System vendors updated	6,048	n/a
Vendor sites updated	7,482	n/a
Batches processed	14,213	n/a
Payments issued – Cheques	70,791	$562,487,814.54
Payments issued – Electronic	652	$486,285,322.04
Payments issued – Internal clearing	221	$8,527,452.35
Receipts applied – Internal clearing	1,753	$13,292,223.33
Miscellaneous cash transactions (Deposits)	7,668	$1,146,288,973.86
Cash receipts applied – External (Accounts Receivable)	98	$4,273,319.11
System customers updated	189	n/a
Manual journals processed	1,512	$1,429,605,715.86
Encumbrance journals processed	46	$9,372,343.85
Purchase orders issued	6,270	$21,233,844.48
PDR receipts cashed	6,878	$37,737,031.20
Tenders and RFPs issued	253	$11,525,255.00
Tendered standing offer contracts	31	n/a
Bid packages distributed	4,900	n/a
Estimated savings to Government from tendering	n/a	$846,578.00
Corporate fleet vehicles: Purchased Leased	 163 89	 $3,216,000 532,000(yearly)

Policy and Evaluation

Role/Mission

The primary role of the Policy and Evaluation Division is to support the department in promoting a corporate approach in management and policy matters with an emphasis on improving accountability and by serving as a secretariat to Treasury Board.

The Risk Management and Insurance Section is responsible for developing, implementing, and maintaining Government insurance and risk management programs with the goal of eliminating or minimizing the potential for loss to Government, associated agencies, and the health and education sectors.

Overview

The Policy and Evaluation Division provided analytical, consultative and administrative support to Treasury Board on an ongoing basis as well as undertook special projects and/or initiatives on behalf of Treasury Board or the Department of Provincial Treasury

The majority of the division's activities are ongoing and include the following key areas:

- providing analytical, consultative and administrative services to Treasury Board;
- providing consultative services to departments and agencies on policy, operational, and administrative matters;
- improving Government's administrative policies to ensure consistency and efficiency;
- supporting departments/agencies progress toward an improved accountability and reporting framework;
- promoting improved evaluation process within Government services;
- leading and/or participating in special projects and/or initiatives identified by the department or Treasury Board;
- developing, implementing, and maintaining Government insurance and risk management programs.

Report Highlights

Management and Policy Matters

The Policy and Evaluation Division provided analytical, consultative and administrative support to Treasury Board on an ongoing basis as well as undertook special projects and/or initiatives on behalf of Treasury Board or the Department of Provincial Treasury. As Treasury Board Secretariat, staff of the division maintained linkages with the Executive Council Office, the Legislative Review Committee and the Strategic Planning Committees on Economic Policy and Community and Social Policy. During FY 2002/2003 the division will undertake a survey of its clients, and in particular, members of Treasury Board, to obtain feedback in determining the level of satisfaction with the services provided and to obtain input for changes and/or improvements to service delivery.

During the past fiscal, divisional staff represented Treasury Board on various negotiations including the Health Negotiating and the Education Negotiating agencies and committees including the Agricultural Insurance Corporation and the Land Use Coordinating Committee, and monitored the Government Loan Guarantee Program.

Accountability

In April 1997 Executive Council, upon the recommendation of Treasury Board, approved a Government policy for an annual reporting framework. A three-year phase-in period was provided with the understanding that all departments and reporting entities meet the intent of the policy as soon as possible. The Policy and Evaluation Division promoted further compliance with the accountability reporting requirements of the *Financial Administration Act* and Treasury Board policy through consultations and meetings with departments and agencies.

Program and Policy Evaluation

Staff of the Policy and Evaluation Division promoted evaluation within Government departments and agencies through consultations, networking and a leadership role within the PEI Chapter of the Canadian Evaluation Society (CES). The PEI Chapter of CES offered several workshops during the past year including workshops on logic models, using the Internet for evaluation research, and qualitative analysis.

These workshops provided training opportunities for Government employees while promoting the use of policy and program evaluation within Government. The PEI Chapter of CES will be assisting the Nova Scotia Chapter to host the national CES National Conference 2002 in Halifax, Nova Scotia in May 2002 by presenting and facilitating workshops. During FY 2002/2003, the PEI Chapter will continue to provide training opportunities for Government employees.

Treasury Board Policy

The Policy and Evaluation Division is responsible for the research, development, maintenance of corporate administrative and operational policies, and the distribution of the same through the Treasury Board Policy and Procedure Manual. The majority of Treasury Board Policies and Procedures are available on the Government Intranet.

Staff of the Policy and Evaluation Division continued to monitor and enhance services to users by drafting new corporate policies and revising existing policies in collaboration with departments responsible for their administration. During FY 2001/2002 reviews of existing policies included Section 9.01 – Honoraria and Section 15 – Loan Guarantees. Divisional staff also facilitated the development of the department's Annual Legislative Work Plan and functioned as the legislative coordinator for the department.

Private Training Schools

In March 2001, Risk Management and Insurance and Department of Education, with approval of Treasury Board, partnered to develop regulations and an insurance policy for the Vocation Training Fund administered under the *Private Training School Act*. When implemented, all students registered full-time at a private school located on Prince Edward Island will have the insurance coverage needed to complete training if a school closes or collapses financially.

A private training school computer program and database has been developed and tested ready for the January 2003 start date. The focus of the program is to gather information on all eligible students who are registered with a private training school on Prince Edward Island. This covers approximately 21 schools registered under the *Private Training School Act* and an estimated 3,000 students attending these schools.

The regulations are currently being reviewed by Legislative Council before being approved by Risk Management and Insurance and Department of Education.

Storm Surge Claims

All claims from the January 2000 storm surge were finalized resulting in a total payout of approximately $749,000. Auditors from Consulting and Audit Canada have reviewed all files prior to application for payment under the Disaster Financial Assistance Program (DFAA).

The auditors have determined approximately $160,000 of the claims are ineligible for cost sharing under the DFAA program. This will result in a net recovery to the Province of approximately $507,000 after its per capita share of $135,000 has been deducted and administrative costs of approximately $53,000 have been added.

Risk Management and Insurance

The table below outlines claims paid for the FYs 2000/2001 and 2001/2002.

	FY 2000/2001		FY 2001/2002	
Claims	Number of Claims Opened	Claims Payout	Number of Claims Opened	Claims Payout
Property	22	$294,205.44	24	$327,303.00
Liability	71	$395,576.37	63	$211,629.00
Automobile	59	$95,191.86	36	$65,401.00
Total	152	$784,973.67	123	$604,333.00

September 11, 2001, terrorists attacks in the U.S. had a considerable financial impact on the "global insurance market." The result has been substantial increases (30 to 300 per cent) in premiums for all lines of insurance as insurance companies attempt to recover financial stability. Insurers are now scrutinizing their commercial clients risk management programs and are refusing to insure certain risks their clients may have in their portfolio. Market conditions indicate further premium increases in the next year of 30 to 50 per cent.

Claims for 2001-2002 returned to more normal in terms of frequency and severity as winter weather was better last year. The focus for this year is to consider and implement the most effective risk-management strategy as we assess the variety of risks in the Risk Management and Insurance Program. Public sector entities including the school boards and health authorities are aware of the significant premium increases and will be cooperating with Risk Management and Insurance to introduce and continue programs that minimize and control risks.

Taxation and Property Records Division

Role/Mission

The mandate of the Taxation and Property Records Division is to ensure fairness and equity in the application and collection of provincial tax revenues, and equity and uniformity in the production of provincial and municipal real property assessment rolls.

The division is also mandated to develop, implement and maintain land-related information systems in the area of Corporate Geomatics, Registry of Deeds and Toponymy – the study of place names.

The mandate of the division requires that services be coordinated and integrated with federal, provincial and municipal governments, and the private sector.

Overview

The Taxation and Property Records Division administers the Province's taxation legislation and ensures the legislation is applied fairly and consistently. The division also develops and maintains land-related information systems and collects tax revenue.

Administration Services

Administration Services Section consists of the Provincial Tax Commissioner, Administrative Assistant, Administration Services whose staff provides financial and personnel services for the division, and a Communications Coordinator who is responsible for planning, coordinating and delivering electronic and printed communications in English and French.

Audit, Collection and Inspection Services

Audit, Collection and Inspection Services is responsible for tax compliance activity, including the performance of tax audits, to determine the level of compliance with consumption tax acts and regulations. Audit, Collection and Inspection Services is also responsible for the collection of consumption taxes due to the Province in the most effective and efficient manner, with a minimum amount of hardship to the taxpayer. The applicable acts and regulations are the *Revenue Tax Act, Revenue Administration Act, Health Tax Act, Environment Tax Act, Gasoline Tax Act,* and related regulations.

Tax Administration and Client Services

Tax Administration and Client Services is responsible for tax administration, processing of tax payments, dissemination of tax information, operation of the provincial land registry system, interpretation of all land-related documents and the provision of property mapping for Prince Edward Island. The section also maintains the Provincial Civic Address Program, Property Line Program, and provides property-related geomatics products and services to other Government departments and agencies, and the private sector.

Information Technology (IT) Services

Information Technology Services is responsible to ensure that the necessary resources, technology and support are available for IT initiatives of the division including: maintenance and support of existing computer applications and systems; the scoping, planning, researching, development/purchasing, implementation and support of new applications and systems; and the maintenance and support of local area network infrastructure environment.

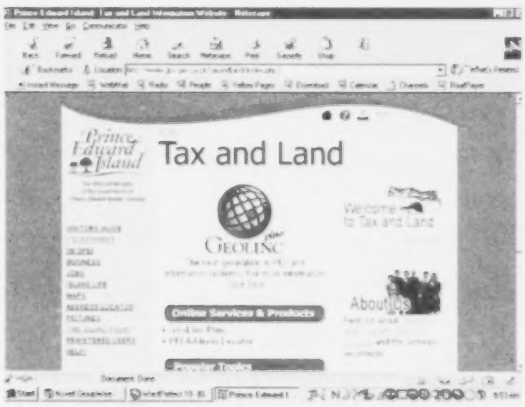
Property Assessment Services

Property Assessment Services' primary function is to value all real property as defined by the *Real Property Assessment Act*, at the indicated market value on an annual basis. This value forms the basis for the collection of provincial and municipal property taxes. The four main programs administered by the section are the Reappraisal Program, the New Construction Program, the Referral and Appeal Program and the Appraisal Services Program.

Report Highlights

Tax and Land Information

The division's Web site called Tax and Land Information, ***www.taxandland.pe.ca,*** was launched. From this portal, clients can access useful tax and land information, and links to relevant resources across Government. The site also has several fillable forms that can be completed online. A communications strategy is now underway to promote the site to the public.



French Language Services Policy

A five-year implementation plan of the *French Language Services Act* was developed. A list of all forms, publications, and documents that need to be redesigned in French was prepared. Forms and documentation were redesigned and translated into French. A French style guide was produced to establish standard terminology and style so consistency is maintained among documents.

PEI Address Locator Project

From the Internet, the PEI Address Locator provides users with access to PEI civic address data. Users can generate online maps of a civic address that they can view, print or save for future reference. This online tool also provides school, electoral and geographic information; lists official road names; presents histories of civic address communities; and enables downloading of addresses. This is a joint project of Provincial Treasury and the Department of Development and Technology.

Prince Edward Island
Address Locator
The fast, free and accurate way to find any address in Prince Edward Island.
www.taxandland.pe.ca

Farm Use Assessment

Implementation of a new Farm Use Assessment Program, which provides tax relief for farmland owned by non-farmers, and leased to bonafide farmers was completed. Through this program, 806 parcels of land consisting of 24,700 acres of clear land were approved for tax relief under farm use assessment.

Property Assessment Re-Appraisals

A three-year review of all recreational and shorefront properties on Prince Edward Island was implemented in 2001/2002. A total of 2,700 properties were re-appraised prior to January 1, 2002, and it is anticipated that this reappraisal effort will be completed in 2003/2004.

Revenue Tax Recovery

A total of 125 regular revenue tax audits and 334 special assessments were completed, earning a tax recovery of $3,256,200.

Construction Projects Monitored

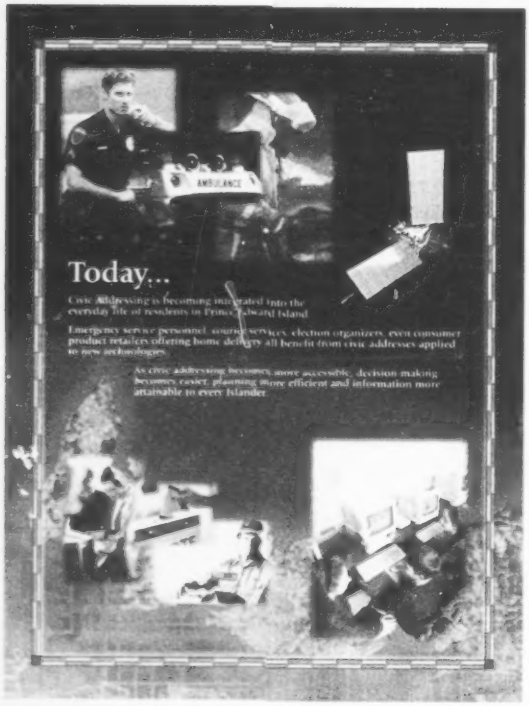
During the year 79 construction projects with a total value exceeding $160 million were monitored for provincial sales tax compliance. The estimated tax collected on these projects was $8 million.

PEI Land Registry Offices

During the year in excess of 18,000 land-related legal documents were registered, indexed, verified, filed and interpreted in the PEI Land Registry Offices in Charlottetown and Summerside. The estimated registry fees generated were $1,800,000. There were also 974 new properties created.

Tax Payments Received

The division received and processed 249,715 tax payments totaling approximately $250,000,000 revenue. These include revenue (sales) tax, property tax, gasoline tax, health tax, environment tax and financial corporation capital tax payments.



Comparison of Division Activity Over the Three-year Period - 1999-2002

	1999-2000	2000-2001	2001-2002
Tax payments received in offices	235,470	243,708	249,715
Tax refunds and adjustments processed	14,424	$13,284	14,377
Documents registered and interpreted (Registry of Deeds office)	16,773	16,706	18,326
New parcels (property) created	1,060	1,134	974
Subdivision plans filed	417	805	714
Registered revenue tax vendors	9,000	9,500	10,200
Registered tax exempt permit holders (farmers and fishermen)	3,564	3,669	3,719
Properties assessed	90,676	91,866	91,920
Property assessment referrals (first-level appeal)	234	187	196
Appeals to IRAC (property assessment related)	6	5	11
Provincial market value assessment	$5.97 billion	$6.38 billion	$6.4 billion
Market value of exemptions	$672 million	$701 million	$712 million
New construction reviews (property assessed value)	$121 million	$175 million	$200 million
Regular audits	177	178	125
Regular audit assessments	$2.9 million	$4.4 million	$3 million
Number of special assessments	224	287	334
Special assessments	$143,100	$150,000	$256,200

Appendix A

Department of Provincial Treasury
Expenditures by Division

	Unaudited Actual 2001/2002 $	3rd Quarter Forecast 2001/2002 $	Budget Estimate 2001/2002 $
Administration			
Administration	20,505	21,300	20,700
Equipment	3,642	5,100	6,000
Materials and Supplies	1,770	3,900	3,600
Professional and Contract Services	1,391	25,800	25,800
Salaries	338,627	360,900	424,900
Travel and Training	50,521	76,000	76,000
	416,456	493,000	557,000
Fiscal Management			
Administration	34,101	45,600	45,600
Equipment	30,789	25,000	20,000
Materials and Supplies	4,735	30,900	30,900
Professional and Contract Services	134,306	137,300	137,300
Salaries	619,177	697,200	771,600
Travel and Training	43,270	45,000	45,000
	866,378	981,000	1,050,400
Policy and Evaluation			
Administration	10,934	10,700	10,300
Equipment	3,180	3,800	2,300
Materials and Supplies	1,886	1,700	2,700
Professional and Contract Services	45,543	48,300	43,800
Salaries	416,263	429,700	433,700
Travel and Training	8,005	11,300	14,200
	485,811	505,500	507,000
Taxation and Property Records			
Administration	168,383	166,800	164,800
Debt	882,100	984,600	1,052,100
Equipment	370,825	207,000	117,900
Materials and Supplies	134,190	155,200	162,600
Professional and Contract Services	470,063	577,700	331,600
Salaries	3,661,750	3,596,300	3,945,500
Travel and Training	198,617	198,700	209,300
	5,885,928	5,886,300	5,983,800

Appendix A – Expenditures by Division ... Continued

	Unaudited Actual 2001/2002 $	3rd Quarter Forecast 2001/2002 $	Budget Estimate 2001/2002 $
Office of the Comptroller			
Administration	36,284	39,100	38,200
Equipment	35,511	52,600	49,900
Materials and Supplies	418,115	343,600	378,200
Professional and Contract Services	63,408	65,800	72,700
Salaries	929,122	950,000	1,004,300
Travel and Training	32,055	34,300	21,400
	1,514,495	1,485,400	1,564,700
Information Services			
Administration	982,266	991,100	991,100
Equipment	48,562	7,600	7,600
Materials, Supplies and Services	620,232	614,300	628,700
Professional and Contract Services	54,942	53,500	53,500
Salaries	1,607,026	1,825,200	1,830,000
Travel and Training	22,151	40,000	40,000
	3,335,179	3,531,700	3,550,900
Economics, Statistics and Federal Fiscal Relations			
Administration	7,445	11,900	11,900
Equipment	2,772	3,500	3,500
Materials, Supplies and Services	6,070	2,800	2,800
Professional and Contract Services	41,685	40,500	50,500
Salaries	343,589	357,300	358,700
Travel and Training	38,942	49,300	49,300
	440,503	465,300	476,700
Information Technology Management Group			
Administration	186,495	177,300	175,600
Equipment	176,677	160,800	21,100
Materials, Supplies and Services	1,480,660	1,388,700	1,441,000
Professional and Contract Services	148,885	143,000	16,000
Salaries	3,086,802	3,238,500	3,510,000
Travel and Training	223,014	228,800	193,300
	5,302,533	5,337,100	5,357,000
Total Department Expenditures	**18,247,283**	**18,685,300**	**19,047,500**

Appendix B

Department of the Provincial Treasury
Revenue

	Unaudited Actual 2001/2002 $	Budget Estimate 2001/2002 $
Federal		
Equalization	282,304,000	275,000,000
Canada Health and Social Transfer	88,905,011	90,014,000
Statutory Subsidy	674,458	674,000
Miscellaneous	0	180,000
Total Federal Revenue	371,883,469	365,868,000
Provincial		
Lottery Commission	14,249,373	15,000,000
Health Tax on Liquor	10,982,205	10,548,000
Health Tax on Tobacco	17,880,105	15,000,000
Real Property Tax	48,553,247	46,300,000
Revenue Tax (Sales Tax)	158,419,073	156,434,000
Gas Tax	32,238,833	34,000,000
Income Tax – Personal	156,384,935	153,600,000
Income Tax – Corporate	27,046,236	28,520,700
Corporation Capital Tax	1,678,033	1,650,000
Environmental Tax	281,200	200,000
Land Title and Registration Fees	1,875,350	1,423,000
Fees and Services	134,466	216,900
Sales and Miscellaneous	938,640	1,221,600
Self Insurance Rebate	226,443	209,200
Cheques Written Off	102,504	0
Total Provincial Revenue	470,990,643	464,323,400
Investment Revenue	12,893,208	11,714,200
Total Departmental Revenue	**855,767,300**	**841,905,600**

Appendix C

Department of the Provincial Treasury
Other Expenditure Budgetary Responsibilities

	Unaudited Actual 2001/2002 $	3rd Quarter Forecast 2001/2002 $	Budget Estimate 2001/2002 $
General Government			
Miscellaneous General	250,257	261,800	261,800
Miscellaneous Grants	1,939,687	1,939,700	1,939,700
Government Insurance Program	886,034	868,400	868,400
Salary Negotiations	0	134,900	0
Contingency Fund	3,392,017	4,500,000	4,500,000
Total General Government	6,467,995	7,704,800	7,569,900

Explanation Notes:

- **Miscellaneous General** provides funding for the Premier's and Ministers' out-of-province travel, cabinet meetings, protocol-related expenses and unanticipated expenditures realized.
- **Miscellaneous Grants** includes grants-in-lieu of property tax, grants for race track programs and other miscellaneous grants.
- **Government Insurance Program** provides insurance coverage to all Government departments, and many crown corporations, agencies and commissions.
- **Salary Negotiations:** funding used for wage adjustments as a result of negotiated agreements reached with the PEI Teachers Federation, CUPE Local 3260 Teacher Assistants, forecast settlement costs for the fiscal year 2001/2002 for the settlement with the Union of Public Sector Employees for the Health Sector, In-Province Physicians' Master Agreement, the Dental Association for the Children's Dental Care Program, and CUPE locals 805, 1051, 1778 and 1779 in the Health Sector.
- **Contingency Fund:** this allocation was used by Government for unanticipated or unusual costs that occurred throughout the fiscal year but had not been budgeted.

	Unaudited Actual 2001/2002 $	Estimate Budget 2001/2002 $
Council of Maritime Premiers		
Maritime Provinces Education Foundation	12,097	16,200
Council Secretariat	81,014	76,700
Maritime Municipal Training and Development Board	16,198	24,600
Maritime Provinces Higher Education Commission	62,067	50,800
Geomatics Board	12,280	15,400
Total Council of Maritime Premiers	**183,656**	**183,700**

Explanation Notes:

The Council of Maritime Premiers is funded by the three Maritime Provinces. Contributions are based on population and upon the recommendation of the Regional Treasury Board.

	Unaudited Actual 2001/2002 $	3rd Quarter Forecast 2001/2002 $	Budget Estimate 2001/2002 $
Interministerial Women's Secretariat			
Administration	1,757	1,500	1,000
Equipment	53	0	0
Materials, Supplies and Services	398	3,500	500
Professional and Contract Services	4,192	17,100	18,500
Salaries	112,406	116,900	119,600
Travel and Training	4,394	6,000	6,000
Grants			
Family Violence	50,000	50,000	50,000
Advisory Council on the Status of Women	144,300	144,300	144,300
Women's Network	4,253	5,400	5,400
Total Interministerial Women's Secretariat	321,753	344,700	345,300

The Interministerial Women's Secretariat provides policy analysis and support to the Government of PEI in order to promote conditions for legal, health, social, and economic gender equality for women and men.

The Secretariat provides support for the work of the Premier's Action Committee on Family Violence Prevention, the PEI Women's Network and the PEI Advisory Council on the Status of Women. It coordinates policy liaison and support to a number of community initiatives which explore and promote gender equality.

The Secretariat provides intergovernmental policy support to the Minister Responsible for the Status of Women and represents the Province on intergovernmental initiatives on the status of women, gender equality and diversity projects in labour, justice, health, economic, and education sectors. The Secretariat participates in gender-related national and international initiatives, such as gender policy advisory boards and gender research projects.

Current board appointments include the Institute of Gender and Health in the Canadian Institutes of Health Research, the Advisory Board for the national Women's Health Report, Commonwealth Gender and Health Institute project, and co-chair of the Atlantic Centre of Excellence on Women's Health.

	Unaudited Actual 2001/2002 $	3rd Quarter Forecast 2001/2002 $	Budget Estimate 2001/2002 $
Interest Charges on Debt			
Interest - Debentures	81,491,545	81,609,400	85,371,000
Interest - Canada Pension Debentures	14,645,864	14,653,600	14,638,100
Interest - Treasury Notes	5,957,658	6,311,100	4,104,000
Interest - Deposit Receipts	1,808,913	1,800,000	2,280,000
Interest - Federal Loans	238,602	238,600	238,600
Interest - Other	776,796	735,700	1,640,000
Interest - Bank Overdraft Interest	52,203	100,000	100,000
Total Interest	**104,971,581**	**105,448,400**	**108,371,700**
Amortization of Debenture Discount	651,255	651,600	600,000
Total Interest Charges on Debt	**105,622,836**	**106,100,000**	**108,971,700**

Notes:

Interest: Appropriations provided for the funding of interest cost associated with monies borrowed by way of issuance of Provincial Debentures, Provincial Deposit Receipts, Treasury Notes, as well as borrowing through the use of bank lines of credit and loans from the Federal Government and the Canada Pension Plan.

Amortization of Debenture Discount: Annual provision required in order to write-up, over the term of the debenture, the cost associated with debenture issues at a discount.

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